

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE**

LOK SABHA

UNSTARRED QUESTION NO.3603

TO BE ANSWERED ON MONDAY THE 16TH MARCH, 2020
PHALGUNA 26, 1941 (SAKA)

AVIATION TURBINE FUEL UNDER GST

3603. SHRIMATI KIRRON KHER:

Will the Minister of FINANCE be pleased to state:

(a) whether the excise tax on Aviation Turbine Fuel (ATF) is higher in India if compared globally and if so, the details thereof;

(b) whether the Goods and Services Tax (GST) council has received any proposal to bring ATF under GST to ensure a level playing domestic field for aviation industry and to promote aviation sector;

(c) if so, the details and the status thereof; and

(d) whether bringing ATF under GST will lead to a loss of revenue for the Government and if so, the details thereof?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a): Aviation Turbine Fuel (ATF), supplied to domestic airlines attracts Central Excise duty at the rate of 11%. ATF being supplied to schedule commuter airlines (SCA) from the regional connectivity scheme (RCS) airports, attract Central Excise duty at the rate of 2%. Moreover, the supply of ATF to foreign owned airlines and to Indian airlines operating in International sectors is exempted from Central Excise duty. States apply VAT at varying rates. As there are varying rates of duty/taxes on ATF in India and other countries, comparison thereof is not feasible.

(b), (c) and (d): Certain references have been received for inclusion of ATF in GST. As per Article 279 A (5) of the Constitution, the Goods and Service Tax Council shall recommend the date on which the goods and services tax be levied on petroleum crude, high speed diesel, motor spirit (commonly known as petrol), natural gas and aviation turbine fuel (ATF). As per the section 9(2) of the CGST Act, inclusion of these products in GST will require recommendation of the GST Council. So far, the GST Council has not made any recommendation for inclusion of ATF under GST. Implication of inclusion of ATF in GST would be dependent on several factors.
